

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 205 – SB 614**

February 12, 2021

**SUMMARY OF BILL:** Increases, from \$100 per month to \$300 per month, the maximum compensation to which members of a joint county board of public utilities are entitled.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Expenditures –**

**Exceeds \$7,200/FY21-22 and Subsequent Years/Permissive**

**Assumptions:**

- Pursuant to Tenn. Code Ann. § 5-16-103:
  - Two or more counties may enter into an interlocal agreement in order to provide certain public utility services within their borders;
  - Members serving on the Board for these public utilities are entitled to a maximum compensation of \$100 per month, as determined by the Board;
  - Such Boards may contain three, five, or seven members; and
  - Boards are required to hold public meetings at least once per month.
- This analysis assumes:
  - All Boards currently compensate members at the maximum allowable rate of \$100 per month;
  - At least one Board will vote to increase compensation to \$300 per month; and
  - Such Board contains at least three members.
- The proposed legislation is estimated to result in a permissive increase in local expenditures exceeding \$7,200 [ $(\$300 - \$100) \times 3 \text{ members} \times 12 \text{ months}$ ] beginning in FY21-22 and occurring in subsequent years.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

Bojan Savic, Interim Executive Director

/jh